

## Capital Investment Decision Criteria Guide For VA Corporate Goals Part III

This document includes descriptions, examples, and potential data sources for each of the criteria/corporate goals that need to be addressed in the application. The guide is separated into three parts: 1) Department-wide criteria that must be addressed by each Administration and staff office regardless of capital asset type; 2.) Criteria that should only be addressed by Non-CARES capital assets and; 3) Criteria that is specific to CARES capital investments.

**Table 3: FY 2005 Decision Criteria  
(Department-Wide, Non-CARES, and CARES)**

| Sec | Major Criteria                             | Sub-Criteria  | Department-wide | Non-Cares | Cares |
|-----|--|---|-----------------|-----------|-------|
|     | <b>Department-Wide Criteria</b>            |   |                 |           |       |
| 1   | Presidential/Secretarial Priorities        |   | X               | X         | X     |
| 1.1 |  | DoD Collaboration                                     | X               | X         | X     |
| 1.2 |  | Strategic Alignment                                   | X               | X         | X     |
| 1.3 |  | VBA/NCA Opportunities                                 | X               | X         | X     |
| 2   | Financial Priorities                       |   | X               | X         | X     |
| 2.1 |  | Quality of Cost Effectiveness Analysis                | X               | X         | X     |
| 2.2 |  | Alternative Analysis                                  | X               | X         | X     |
| 2.3 |  | Risk Analysis   | X               | X         | X     |
| 2.4 |  | Risk Control Plan                                     | X               | X         | X     |
| 2.5 |  | Savings/Cost Avoidance                                | X               | X         | X     |
| 2.6 |  | Exit Strategy   | X               | X         | X     |
| 3   | Capital Portfolio Goals                    |   | X               | X         | X     |
| 3.1 |  | Increase Intra/Inter-agency & Community Based Sharing | X               | X         | X     |
| 3.2 |  | Decrease Underutilized Capacity                       | X               | X         | X     |
| 3.3 |  | Decreased Operational Costs                           | X               | X         | X     |
| 3.4 |  | Reduce Energy Utilization                             | X               | X         | X     |
| 3.5 |  | Increase Revenue Opportunities                        | X               | X         | X     |
| 3.6 |  | Maximize Highest & Best Use                           | X               | X         | X     |
| 4   | Safeguard Assets                           |   | X               | X         | X     |
| 4.1 |  | Safety  | X               | X         | X     |
| 4.2 |  | Seismic   | X               | X         | X     |
| 4.3 |  | Security  | X               | X         | X     |
|     | <b>Non-CARES Specific Criteria</b>         |   |                 |           |       |
| 5   | Customer Service                           |   |                 | X         |       |
| 5.1 |  | New Customers/Increase in Customers                   |                 | X         |       |
| 5.2 |  | Customer Satisfaction                                 |                 | X         |       |
| 5.3 |  | Customer Access                                       |                 | X         |       |
|     | <b>CARES Specific Criteria</b>             |   |                 |           |       |
| 6   | Research & Education-VHA Construction Only |   |                 |           | X     |
| 6.1 |  | Research  |                 |           | X     |
| 6.2 |  | Education   |                 |           | X     |
| 7   | Special Emphasis                           |   |                 |           | X     |
| 8   | Health Care Service Delivery Enhancements  |   |                 |           | X     |
| 8.1 |  | Realignment/Mission Change                            |                 |           | X     |
| 8.2 |  | Size of Gap/Demand                                    |                 |           | X     |
| 8.3 |  | Volume of Veterans Served/Services Provided           |                 |           | X     |
| 8.4 |  | Access to Health Care                                 |                 |           | X     |
| 8.5 |  | VISN Priority   |                 |           | X     |
| 8.6 |  | Infrastructure Quality Enhancements                   |                 |           | X     |

The guide addresses requirements for full acquisition proposals. Applications submitted to request planning/design/prototype funding do not require the same level of detail or substantiating documentation. Variances between the acquisition application and planning application will be identified throughout the guide. Information Technology proposals need to provide the information required for either the milestone I review (prototype/pilot) or the milestone II (full acquisition) review. The answers to the criteria section for acquisition proposals should be supported by the risk, alternatives, and cost-effectiveness analyses templates and all relevant data and documentation (e.g., surveys, industry analysis, primary source documentation, etc.) that the proposal team will research and assemble.

This document provides examples for each criterion, which indicate the suggested data type and information that are useful in evaluating proposals. They are by no means the only acceptable responses. They merely serve as content suggestions. The ratings noted are only used during the validity assessment.

## Department-wide Criteria

*(Should be addressed for all acquisitions: CARES, Non-CARES & IT Projects)*

### Presidential/Secretarial Priorities (Part III, Section 1 of Application)

This criterion is comprised of priorities from the President's Management Agenda and Secretaries Goals for improved management and performance across the Department. Alignment with these objectives creates a Department working in unison toward improving management and performance goals. Proposal developers should familiarize themselves with "The President's Management Agenda", which can be found at <http://www.whitehouse.gov/omb/memoranda/m02-02.html>.

#### 1.1 DoD Collaboration

DoD collaboration targets one of the main concerns for VA as defined by the President's Management Agenda, section 14. The President wants to enhance opportunities for DoD sharing collaboration. This includes planning for health care service delivery, acquisitions, and re-use of real property.

For this criterion, a "good" answer:

- Discusses the how the initiative is supported
- Discusses the anticipated impact of the initiative.

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- An indication that the proposal will not have any impact on any of the President's Management Agenda initiatives, with supporting rationale;
- Or-
- A basic response to how the investment supports one or more of the President's Management Agenda initiatives.

This project will be located adjacent to the VA/DOD Joint Venture Medical Treatment Facility. This physical arrangement would provide unprecedented access to transitional services for veterans in Alaska. The co-location of the VA with DOD in one service delivery site will expedite the process of transition and provide opportunities to streamline the way both VA and DOD conduct business operations to support the Servicemember's transition process.

**Good:** Good responses must provide some kind of analysis supporting the response. The following is an example of a good response:

This project will be located adjacent to the VA/DOD Joint Venture Medical Treatment Facility. This physical arrangement would provide unprecedented access to transitional services for veterans in Alaska. The co-location of the VA with DOD in one service delivery site will expedite the process of transition and provide opportunities to streamline the way both VA and DOD conduct business operations to support the Servicemember's transition process.

Emergency preparedness will be improved with this project as VA providers and staff are able to respond with support assistance to the 3rd medical group at Elmendorf AFB. VA's role in community disaster relief efforts calls for our providers to assist DoD physicians who may be accepting casualties. Collocation of our clinic with the hospital will allow for quicker and more robust response.

While the remainder of the VA prepares for a reduction in health care requirements, as a result of the demise of World War II veterans, Alaska will continue to maintain a steady population of veterans through the year 2015 before any projected reduction in the general population will occur. This projection is based on the younger age of the average veteran in the State compared to other locations in the VA:

With the age of the majority of Alaska's veterans falling in the 40-59 year old age groups, the expectation is that current levels of service support will continue into the foreseeable future. Additionally, this young average age will continue even as older veterans remain in the state because the military presence in Alaska will produce young replacement veterans in the transition process.

Projections provided in this application suggests the number of veterans enrolled for health care in Alaska will rise from the current peak of 11,497 to a future peak of 15,060 in the year 2020. This population will generate an increase in clinic visits from 94,071 in FY1999 to 115,556 by FY2010. From these visits, clinic encounters will increase from 130,841 in FY 1999 to 167,787 by FY 2010, developing a future space requirement of 117,000 department gross square feet.

With the continued growth of veterans receiving health care, there will be a corresponding need to closely manage where healthcare is provided. Alaska ranks 49 of 50 states in the lowest number of specialty care providers per capita. This situation provides an extremely high cost healthcare environment as a result of provider supply and demand. Alaska is the only state not currently converted to the national VHA reimbursement rates (RVRBS) for care provided in the community, delaying such conversion on the basis of loss of access to care since providers are not willing to accept lower reimbursement rates. This proposal will allow recapture of patients from local fee based programs by establishing additional space to provide additional / new / VA and DOD integrated lower cost health care services by VA/DOD providers. This strategy will allow care to be provided to more veterans within annual budget limitations and DOD integrated lower cost health care services by VA/DOD providers.

## **1.2 Strategic Alignment**

The VA Strategic Plan defines the mission and goals of the Department. It is the strategy that guides and provides the path to VA's future. Alignment with these objectives creates a Department working in unison toward accomplishing the goal. All proposed investments should be aligned with the strategic goals of VA. Proposal developers should refer to the current

VA Strategic Plan for information about VA's goals and objectives.  
Identify with which (one or more) strategic goal(s) your project is aligned.  
The VA Strategic Goals include:

- Quality of Life,
- Ensure Smooth Transition,
- Honor and Memorialize,
- Public Health and Socioeconomic Well Being, and
- One VA.

For this criterion, a "good" answer:

- Identifies the most relevant strategic goal(s) from VA's Strategic Plan
- Identifies the most relevant VA performance measure that is used to track, measure, and report on VA's progress in meeting it's strategic goals and objectives
- Identifies baseline performance measure data and targeted national, and if available, local, results
- Discusses how the initiative supports achievement of the Department's goals and objectives
- Identifies the expected, measurable performance of the proposed initiative

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes those that identify the above data requirements.

**Good:** Good responses provide some kind of analysis supporting the response.  
The following is an example of a good response:

This investment supports the Strategic goal of Honor, Serve, and Memorialize. It will continue to provide service delivery for burial options to the approximately 111,880 veterans in the northern Florida and south Alabama areas. Currently, the nearest open national cemetery is in Biloxi, Mississippi, which is 140 miles away. The national cemetery in Mobile, Alabama is closer, however, it is closed to first interments for casketed burials. There are no state veteran cemeteries in the State of Florida or Alabama. Through this project, the VA/NCA will ensure that the military service of our Nation's veterans is honored by providing dignified burials and lasting memorials for veterans and their eligible family members. It will also contribute to the effort to maintain all veterans cemeteries as national shrines. Furthermore, Barrancas National Cemetery has come to be relied upon by the established veteran community and regional community-at-large as a national shrine and gathering place for commemorating the service of all veterans as well as loved ones interred there. The use of pre-placed crypts will contribute to optimizing the use of available land at the cemetery. The number of gravesites per acre utilizing pre-placed crypts is nearly twice that of traditional 5-foot by 10-foot gravesites. The use of crypts in one acre of land can double the interment capacity in the same acreage, extending service to more veterans and potentially extending the useful life of the cemetery. The use of columbaria also optimizes land use, accommodating 1.5 to 3 times the number of cremains sites per acre as compared with in-ground cremain burial sections.

| Goal   | Measure  | Baseline | Planned | Planned |
|--|--|----------|---------|---------|
| Strategic Goal                               | Performance Measure  | FY 03    | FY 04   | FY 08   |
| Three-Honor, Serve, and Memorialize Veterans | Percent of veterans served by a burial option within a reasonable distance (75-miles) of their residence | 73.9%    | 74.4%   | 85.1%   |
| Three-Honor, Serve, and Memorialize Veterans | Percent of respondents who rate the quality of service provided by the national cemeteries as excellent  | 93.0%    | 95.0%   | 100.0%  |

**Possible Data Sources:**

- Department of Veterans Affairs: FY 2001-2006 Strategic Plan
- Department of Veterans Affairs Annual Performance Plan
- Local Facility, Historical Data

**1.3 VBA/NCA Opportunities**

This elaborates the One-VA concept by emphasizing VBA and NCA opportunities to share, collocate, or assume the services and costs of capital assets from other administrations.

Proposal developers should familiarize themselves with the “Standards for Success” for the government-wide initiatives that the White House has identified (Refer to <http://www.whitehouse.gov/omb/memoranda/m02-02.html> for guidance).

For this criterion, a “good” answer:

- Discusses how the initiative is supported
- Discusses the anticipated impact of the initiative

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- An indication that the proposal will not have any impact on this criteria, with supporting rationale;
- Or-
- A basic response to how the investment supports this criterion.

This investment constructs a state-of-the-art office facility for the Hartford Regional Office in existing space at the Newington Campus of the Connecticut Health Care System.

**Good:** Good responses must provide some kind of analysis supporting the response. The following is an example of a good response:

This investment constructs a state-of-the-art office facility for the Hartford Regional Office in existing space at the Newington Campus of the Connecticut Health Care System. The facility will be housed in approximately 32,077 gross square feet on the fifth floors of buildings 1 and 2E connected by a skywalk. "Total gut" renovation will be performed in the Building 2E space with "moderate" renovations occurring in Building 1 to prepare for the new VBA space assignment. The remainder of both buildings will continue to house the Primary Care Center for VACHS in the Hartford area.

The specific space that is to be assigned to VBA has been recently constructed and or renovated as of 1999 and is considered Class A space. There is no asbestos in these recently renovated spaces and handicapped parking for veterans is proximal to the main entrance to Building 2E. Building 2E will house the VBA public contact areas including the Veterans Service Center and associated file banks. Building 2E is also the location where Compensation and Pension examinations are performed.

This project will have a positive effect upon the entire VA operation in Connecticut. Relocating the VA Regional Office into a new collocated facility will provide an appropriate environment for the veteran seeking benefits. One-VA benefits of collocation will naturally bring new customers to the regional office. There are approximately 306,000 veterans in the state. During Fiscal Year 1999, the Regional Office processed over 14,600 C&P and Vocational Rehabilitation cases, conducted almost 18,000 interviews and received over 72,000 telephone calls. The VARO Jackson, which collocated in July 1997, experienced a 50% increase in walk-in personal interviews after the collocation. A similar increase is expected at the Hartford/Newington site after collocation for veterans seeking to conduct both medical and benefits business at one location.

This project will meet VBA strategic goals and link to the Department's Goal 5. Specifically, this is a One-VA crosscutting project that will create an environment that fosters the delivery of world-class service and benefits to veterans and their families at one primary location. The regional office will be designed to maximize direct contact with veterans, use a case management approach, and provide sufficient training facilities for employee development. Escalating costs associated with renting space will be eliminated. On-campus parking will enable veterans to conduct business with the VA in a convenient manner.

### **Financial Priorities (Part III, Section 2 of Application)**

The taxpayers of this country expect their hard-earned dollars to be spent only after thoughtful and extensive consideration. To honor this commitment, proposals must undergo thorough analysis. This analysis includes cost effectiveness and/or cost-benefit analysis, alternatives analysis, quantifiable benefits (cost-savings/cost-avoidance) and non-quantifiable benefits analysis. Together, the use of these criteria demonstrates our effective management of scarce resources to obtain optimal value and performance to serve the veteran. In this section, proposals seeking full funding are required to complete templates that apply to applicable sub-criteria. Proposals seeking planning funds are not required to complete templates, but must address applicable sub-criteria found at the end of this section in a narrative form.

## For Acquisition Applications:

### 2.1 Quality of Cost Effectiveness Analysis

Quality of the estimated cost assessment of both the selected alternative and the alternatives used to evaluate the options. Reviewing the analysis for consistency, supporting documentation and calculations, and completeness assesses quality.

For this criterion, a “good” answer:

- Identifies baseline (status quo) used for comparison
- Provides a completed cost-effectiveness analysis, with referenced supporting data and calculations, (reviewers must be able to be replicate the calculations)
- Utilizes the **CEA template and attaches CEA summary sheet**
- Provides justification for the selected option, especially if it is not the most cost-effective alternative

**Unacceptable:** Unacceptable responses include those that are left blank or do not complete the CEA template.

**Acceptable:** Acceptable responses include a completed cost effectiveness analysis template supported by data **estimates** and calculations attachments.

**Good:** Good responses are those, which provide **reasonable, justifiable and conclusive figures with supporting data** and calculations attached. Data estimates must be sensitive to the probability of their accuracy as well as consistent with other related data estimates contained in the application and supporting documentation. Good responses utilize the cost-effectiveness template. Refer to the Cost Effectiveness Analysis Guide.

#### **Possible Data Sources:**

- Cost Effectiveness Analysis Guide
- Existing Financial Reports
- Contractor Estimates

### 2.2 Alternatives Analysis

Alternatives analysis is the comprehensive assessment of all available proposal alternatives relative to the investments’ ability to satisfy technical and operational requirements and the investment proposal criteria.

For this criterion, a “good” answer:

- Provides a completed alternatives analysis, with all necessary supporting data and calculations



- Utilizes and provides the **alternatives analysis template**, as well as the corresponding summary
- Provides primary source documentation
- Compares all alternatives relative to each sub criterion

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions, or do not use the template.

**Acceptable:** For each criterion listed in the alternatives analysis template, acceptable responses include:

- Those that indicate that the proposal will not have any impact, with supporting rationale, and
- Use the template which addresses only the major criteria
- Or-
- Might include, but is limited to major criteria, as in the following:

| Criteria                                   | Alternative 1 | Alternative 2         | Alternative 3 | Alternative 4         |
|--|---------------|-----------------------|---------------|-----------------------|
| Presidential/<br>Secretarial<br>Priorities | • Addresses   | • Does not<br>address | • Addresses   | • Does not<br>address |

**Good:** The selected alternative will be the one that satisfies all of the minimum technical and operational requirements, and has the highest benefit to cost ratio relative to a level of acceptable risk. When the selected alternative *is not* the least expensive option, the presented analysis will be decisively convincing as to why it is the best solution.

Good responses describe how the alternative will impact each criterion and sub-criterion in the alternatives analysis matrix and provide data to support conclusions. Good answers utilize the Alternatives Analysis template and each alternative will be compared to each sub-criterion. The following is a partial example of a good response:

| Alternatives Analysis Template |  |  |   |   |
|--------------------------------|--|--|---|---|
|                                | Status Quo/No Action   | (Alt 1) Minor Construction   | (Alt 2) State Cemetery  | (Alt 3) Major Construction  |
| <b>5. Customer Service</b>     |  |  |   |   |
| 5.1 New/Increase in Customers  | None   | <ul style="list-style-type: none"> <li>- Expands useful life of this national cemetery for another 10 years.</li> <li>-Attract those who would prefer to have reduced traveling time to reach a national cemetery</li> </ul>         | <ul style="list-style-type: none"> <li>-Attract those who would prefer to have reduced traveling time for burial in a veteran's cemetery</li> </ul>   | <ul style="list-style-type: none"> <li>-Expands useful life of this national cemetery for another 10 years.</li> <li>- Attract those who would prefer to have reduced traveling time to reach a national cemetery</li> </ul>  |
| 5.2 Customer Satisfaction      | Decrease in customer satisfaction due to unmet burial needs. | <ul style="list-style-type: none"> <li>-Maintains customer satisfaction by meeting veteran burial needs within a 75-mile service area</li> <li>-Customer satisfaction diminished because of extended construction period.</li> </ul> | <ul style="list-style-type: none"> <li>-Maintain customer satisfaction by providing veteran burial needs within a 75-mile service area</li> </ul>   | <ul style="list-style-type: none"> <li>- Maintains customer satisfaction by meeting veteran burial needs within a 75-mile service area</li> <li>- Increase customer satisfaction by maintaining national shrine status</li> <li>- Increase respondents rating the service provided by national cemeteries as excellent</li> </ul> |
| 5.3 Customer Access            | None   | <ul style="list-style-type: none"> <li>-Veterans residing in the service area will not have to travel more than 75 miles to access a burial option in the national cemetery</li> </ul>   | <ul style="list-style-type: none"> <li>-Veterans residing in the service area will not have to travel more than 75 miles to access a burial option in a veteran's cemetery</li> <li>-Veterans subject to state imposed eligibility restrictions.</li> </ul> | <ul style="list-style-type: none"> <li>-Veterans residing in the service area will not have to travel more than 75 miles to access a burial option in the national cemetery.</li> </ul>   |

**Possible Data Sources:**

- Documentation from external agencies or corporations demonstrating an attempt was made to contract for services
- Letters of support from other Administrations for implementation to include FTE and funds

## **2.3 Risk Analysis**

Risk is an inherent part of any capital investment. However, project risk can be reduced or eliminated by identifying consequences that can negatively impact a project's success. In this case, risk can be analyzed in eleven components. Proposals seeking full funding are required to complete the risk template. Proposals seeking planning funds are not required to complete the risk template, but must address each risk in a narrative form.

- |  |  |
|--|--|
| 1. Schedule                            | 2. Initial Costs                               |
| 3. Life Cycle Costs                    | 4. Technical Obsolescence                      |
| 5. Feasibility                         | 6. Reliability of Systems                      |
| 7. Dependencies and Interoperabilities | 8. Surety (Asset Protection)                   |
| 9. Risk of Creating a Monopoly         | 10. Capability of Agency to Manage the Project |
| 11. Overall Risk of Project Failure    |  |

The quality of the risk analysis represents the evaluation of the completeness of the risk analysis.

For this criterion, a “good” answer:

- Identifies and analyzes all of the potential risk components associated with the initiatives, with supporting data and calculations
- Identifies the responsible party
- Utilizes the ***risk score template***

**Unacceptable:** Unacceptable responses are those that are left blank. Each risk category identified in the risk template must be addressed. If specific risks in risk categories cannot be identified, then provide a justification with supporting rationale.

**Acceptable:** Acceptable responses provide a completed risk template, including:

- Identification of specific risks within each risk category;
- Realistic scoring of the impact and likelihood for each risk.

**Good:** Good responses provide a complete risk template, including:

- Identification of specific risks within each of the appropriate risk categories
- Realistic scoring of the impact and likelihood for each risk
- Justification/explanation of each identified risk and the impact on the project

**Possible Data Source:**

- Risk Analysis Guide

## **2.4 Risk Control Plan**

The risk control plan is measured by the quality of the initiative's risk mitigation plan. The risk mitigation plan is a dynamic plan to control the defined risks associated with the adoption of the initiative. It should be reviewed and updated on a recurring basis to reflect new risks, strategies to mitigate them, and the current status of efforts to control identified risks. The risk control plan can be utilized through the risk score template and is required for the chosen alternative only.

For this criterion, a "good" answer completes the template in the application, which:

- Establishes a list of identified risks
- Identifies risk control variance (e.g., 10% cost or schedule overruns) at which the corrective action plan is initiated
- Includes the date the risk was identified
- Provides a current status of the mitigation effort
- Identifies who is responsible for executing the control plan
- Details plans to reduce and control the identified risks
- Identifies internal resources available to mitigate risk

**Unacceptable:** Unacceptable responses are those that are left blank. It is unacceptable to identify a risk without providing a risk control plan.

**Acceptable:** Acceptable responses are those that include a control plan to mitigate all identified risks.

**Good:** Good responses are those that include a control plan to mitigate risks and provide data to support the controls. The following is a partial response of a good answer:

| Risk   | Date Risk Identified | Responsible Party             | Current Status of Mitigation Effort  | Risk Controls   | Risk Control Variance   | Internal Mitigation Resources                                     |
|--|----------------------|-------------------------------|--|---|---|---|
| Surety (Asset Protection)                                  |                      |                               |  |   |   |   |
| Breach of security to building as a result of construction | 10/10/2002           | Chief, Police & Security Svc. | Camera system is currently in use and will be adjusted to view areas of construction upon project approval | Security camera system will be used to monitor the building at large. | 0% of breach required before control is put in place. To be installed immediately upon beginning construction | Exterior camera scans will be adjusted to pan construction areas. |

**Possible Data Source:**

- Risk Analysis Guide

**2.5 Savings/Cost Avoidance**

These metrics are financial and can be expressed in terms of dollars, FTE, or utility measures. Claims are reflected in the Cost Effective Analysis comparing the Status Quo option to the selected Alternative.

For this criterion, a “good” answer completes the CEA template in the application, which:

- Establishes savings/cost avoidance
- Provides justification of each identified savings/cost avoidance

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- Those that indicate that the proposal will not have any impact on savings/cost avoidance with supporting rationale

-Or-

- Might include, but is not limited to, the following:

The project will result in a cost avoidance of \$50,000 per year in utility costs based on a decrease in energy use.

**Good:** Good responses are those that provide justifiable and conclusive data with supporting primary source documentation and calculations attached. The following is an example of a good response.

We predict that the implementation of this new paperless office system will result in a cost savings of over \$1.7 million. This sum was derived from the following assumptions:

| Cost Savings                | Value of Cost Savings   | Justification  |
|-----------------------------|---|--|
| Reduction in Material Costs | Recurring cost savings: \$500,000 per year<br><br>Baseline costs: \$2 million per year        | The paperless office will provide data warehousing that will reduce paper and material purchases by 70%. <i>Agency name</i> implemented a similar system receiving similar results during FY 1999.                                   |
| Increase Staff Efficiency   | Recurring cost savings: \$1 million per year<br><br>Baseline costs: \$3 million per year      | The project will create increased staff efficiency resulting from the reduction in copying, filing and other labor costs, reducing overtime. <i>Agency name</i> saw the same proportionate level of reductions in a similar project. |
| Storage Space Cost Savings  | Recurring cost savings: \$200,000 per year<br><br>Baseline costs: \$200,000 of storage rental | Currently, there is little space available for new files. The administration would require new storage space during FY 2002, to proceed with the status quo.   |

#### Possible Data Sources:

- For VHA: CARES Data and [www.klfmenu.med.va.gov](http://www.klfmenu.med.va.gov) (Cost Data)
- The cost savings analysis section of the cost-effectiveness template
- The CEA template

## 2.6 Exit Strategy

An exit strategy is a divestment plan. It is a planned methodical disposal implementation plan set in motion at the end of the useful life of a capital asset. This data is consolidated into a disposal plan that culminates at the end of an asset's life cycle which may include the removal of the asset from service, planning for the transition to an alternative use by a stakeholder or the removal of the asset from the inventory by transfer of deed to the property, sale, or demolition in a timely manner. Disposal of complex assets or systems may involve a multi-year process requiring significant effort and funding.

For this criterion, a "good" response includes a thoughtful plan for disposal. It also provides backup materials and data that support the response.

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support response.

**Acceptable:** An acceptable response includes:

- Those that indicate that the proposal does not have an exit strategy with supporting rationale
- Or-

- Those that indicate that the proposal does have an exit strategy and outlines possible means of disposal.

**Good:** Good responses are those that provide reasonable and justifiable claims with supporting data and calculations attached. Data estimates must be sensitive to the probability of their accuracy. Good responses that indicate an exit strategy exists will provide possible disposal alternatives supported by market projections. Timelines for disposal and applicable costs will be identified. Alternatives that will be available to displaced customers will be provided, with supporting data. Projects that indicate a negative response to an exit strategy will provide supporting data and rationale as to why one is unnecessary.

**Possible Data Sources:**

- For VHA: PTF workload data
- Local Facility, Historical Data
- Local market surveys

**For Planning Applications:**

**2.1 Quantifiable Benefits**

These are based on criteria 2.1 and 2.5 for the Acquisition Application but with much less detail. A basic overview of expected outcomes is all that is required.

**2.2 Alternatives Identified**

This criterion is based on 2.2 for the Acquisition Application but with much less detail. The template is not required. Provide a summary of the alternatives and a brief discussion as to their feasibility.

**2.3 Risks Identified**

This criterion is the same as 2.3 and 2.4 for Acquisition Applications, but with less required detail. Briefly describe any potential risks associated with the alternatives.

**2.4 Exit Strategy**

This criterion is the same as 2.6 for Acquisition Applications.

## Capital Portfolio Goals (Part III, Section 3 of Application)

The VA Capital portfolio goals and overall measures have been formally established and are described below. The Department is currently in the process of establishing baselines or targets for each of the seven goals. Once the targets have been established they will be incorporated into the criteria. (For concept papers a “yes” or “no” answer with a brief discussion will be required. For the full acquisition applications supporting materials and back up materials will be required for.)

### **3.1 Increase Intra/Inter-agency and Community Based Sharing (*For Sharing Opportunities not covered under Presidential/Secretarial Priorities*)**

The capital investment results in an increase of assets shared across all VA business lines (intra-agency) or an increase of assets shared with other federal agencies (inter-agency, non-DoD), or state and local communities.

For this criterion, a “good” answer:

- Identifies the baseline that is used for comparison, and how the asset affects the baseline (the percent change from baseline).
- Addresses **how** the initiative will/will not result in an increase in sharing
- Details **how much** of an impact the initiative will have upon these sharing potentials above and beyond the current baseline

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- Those responses that indicate that the proposal will or will not include Intra/Inter-agency and Community Based Sharing with supporting rationale.
- Or-
- Might include, but is not limited to, the following:

This project includes Intra-agency sharing by allocating space on the third floor for a VBA benefits office. Space for VBA includes the east and west wings and is adjacent to the Medical Center’s patient eligibility office.

**Good:** Good responses must provide analysis supporting the response. The following is a partial example of a good response:

Intra-agency Sharing with VBA is expected to increase shared space at the Medical Center by 25%. A memorandum of agreement is the process of being signed by VBA and VHA top officials.



### **3.2 Decrease Underutilized Capacity**

The capital investment results in a decrease in vacant or underutilized assets, or an increase in asset sales.

For this criterion, a “good” answer:

- Identifies the baseline that is used for comparison, and how the asset affects the baseline (the percent change from baseline)
- Addresses **how** the initiative will/will not result in a decrease of underutilized capacity, or an increase in asset sales
- Details **how much** of an impact the initiative will have upon underutilized capacity or asset sales above and beyond the current baseline

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- Those responses that indicate that the proposal will or will not decrease vacant or underutilized assets or increase asset sales with supporting rationale.

-Or-

- Might include, but is not limited to, the following:

This project decreases underutilized space by moving the primary care clinics to the rear of the building, occupying space that has previously been identified as underutilized. The move will allow the primary care clinics to increase exam rooms by 5, reducing patient backlogs. Space vacated by the primary care clinics will be converted to administration space, which currently realizes a space shortfall.

**Good:** Good responses must provide analysis supporting the response. The following is a partial example of a good response:

Currently, the dental clinic occupies 5000 square feet in the south end of building 1. Workload for the dental clinic is projected to be 2600 in 2012. Space needs to accommodate this workload is approximately 2000 square feet, leaving 3000 square feet of underutilized space. Workload projections for the orthopedic clinic and Prosthetics are 3200 and 3500 respectively. Space needs to accommodate both these workloads is approximately 5000 square feet. This project will relocate the orthopedic clinic and prosthetics to the dental clinic space. The dental clinic will move into currently vacant space located on the third floor.

### **3.3 Decrease Operational Costs**

The capital investment lowers operating costs to commercial benchmarking standards (land, buildings, agreements, leases, equipment), decreases assets on hand that have exceeded their useful economic life, eliminates data source redundancy (IT) and/or results in a general decrease in the total cost of asset ownership.

For this criterion, a “good” response answers the question: Does the capital investment decrease operational costs? It also:

- Includes the baseline data of existing costs, and how the asset affects the baseline (the percent change from baseline).
- Provides a complete analysis of all potential operational cost decreases derived from the implementation of the initiative
- Includes data source attachment and justification for cost decrease figures

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes baseline (status quo) data compared to the selected alternative cost data indicating an operational cost decrease. If no cost decreases are realized justification is to be provided.

**Good:** Good responses are those that provide **reasonable, justifiable and conclusive figures with supporting data** and calculations attached. Data estimates must be sensitive to the probability of their accuracy as well as consistent with other related data estimates contained in the application and supporting documentation. Good responses utilize the cost-effectiveness template.

#### **Possible Data Sources**

- Cost Effectiveness Analysis template
- Existing Financial Reports
- For VHA: CARES Data and [www.klfmenu.med.va.gov](http://www.klfmenu.med.va.gov) (Cost Data)
- The cost savings analysis section of the cost-effectiveness template

### **3.4 Reduce Energy Utilization**

The capital investment results in an increase in renewable energy usage, a decrease in total energy consumption (volume), and/or a decrease in the unit cost of energy.

For this criterion, a “good” answer:

- Identifies the baseline that is used for comparison, and how the asset affects the baseline (the percent change from baseline).
- Addresses **how** the initiative will/will not reduce energy utilization
- Details **how much** of an impact the initiative will have upon energy utilization above and beyond the current baseline

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes baseline (status quo) data compared to the selected alternative energy use data indicating an increase in renewable energy usage, a decrease in total energy consumption, and/or a decrease in the unit cost of energy. If no energy related savings are realized, justification is to be provided.

**Good:** Good responses are those that indicate an energy savings with supporting documentation. The following is a partial response of a good answer:

By FY 2010, there is expected to be dramatic decreases in electricity and natural gas usage at this VAMC. Currently we are operating at about 9,752 megawatt hours of electricity per year and 36,567 thousand cubic feet of natural gas. By 2010, both are expected to drop by 15% as a result of this project. Savings are expected to be approximately \$131,208 per year.

|                       |                              |  |             |                  |
|-----------------------|------------------------------|--|-------------|------------------|
| <b>FY 2001</b>        |                              |  |             |                  |
|                       | <b>Volume</b>                |  | <b>Cost</b> |                  |
| Electricity           | 9,752 (Megawatt Hours)       |  | \$.062/KWH  | \$604,624        |
| Natural Gas           | 36,567 (Thousand Cubic Feet) |  | 7.39 MCU FT | \$270,230        |
|                       | <b>Total</b>                 |  |             | <b>\$874,854</b> |
| <b>FY 2010</b>        |                              |  |             |                  |
|                       | <b>Volume</b>                |  | <b>Cost</b> |                  |
| Electricity           | 8,289 (Megawatt Hours)       |  | \$.062/KWH  | \$513,918        |
| Natural Gas           | 31,082 (Thousand Cubic Feet) |  | 7.39 MCU FT | \$229,696        |
|                       | <b>Total</b>                 |  |             | <b>\$743,614</b> |
| <b>Cost Reduction</b> |                              |  |             | <b>\$131,240</b> |

### **3.5 Increase Revenue Opportunities**

The capital investment results in increased revenues for enhanced-use lease projects or increased vacant space that is out-leased or shared.

For this criterion, a “good” answer:

- Identifies the baseline that is used for comparison, and how the asset affects the baseline (the percent change from baseline).
- Addresses **how** the initiative will/will not result in an increase in revenues or vacant space that is out-lease or shared
- Details **how much** of an impact the initiative will have upon revenue generation or out-lease/shared space above and beyond the current baseline

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes baseline (status quo) data compared to the selected alternative revenue generation or out-leasing/sharing space possibilities. If the project does not increase these opportunities, explain why.

**Good:** Good responses are those that provide reasonable and justifiable claims with supporting data and calculations attached. Data estimates must be sensitive to the probability of their accuracy. If the project provides the opportunity for revenue generation, how, why, where, how much, etc must be determined and supported with documentation.

### **3.6 Maximize Highest and Best Use**

The capital investment results in an increase in the number of agreements for asset exchanges/sales to acquire replacement property better suited for mission purposes, an increase in the number of out-leases (to ensure full utilization and optimum performance of assets), and/or balances spending distribution to ensure portfolio management (the leveraging of investments or combination of investments).

For this criterion, a “good” answer:

- Identifies the baseline that is used for comparison and how the asset affects the baseline (the percent change from baseline).
- Addresses **how** the initiative will maximize highest and best use
- Details **how much** of an impact the initiative will have upon highest and best use

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes baseline (status quo) data compared to the selected alternative in areas where there will be a better alignment with mission purposes and/or better utilization and optimum performance of assets. If the project does not maximize highest and best use, explain why.

**Good:** Good responses include industry benchmarks as supporting data. They should incorporate asset specific best practices. Journal references to leading edge innovation should be used to support claims where possible.

### **Possible Data Sources**

- Local market surveys
- Industry journals

## **Safeguard Assets (Part III, Section 4 of Application)**

The capital investment results in a decrease in designated high-risk assets or increases the Department's compliance with safety, security (including Homeland Security), accessibility, and/or accreditation laws and regulations. Included are Seismic, Safety, and Security projects. A minimum of 50% of the project cost must be devoted to a particular sub-criterion in order to earn benefit for that sub-criterion.

### **4.1 Safety**

VA must ensure that its infrastructure support systems (electrical, fire and safety, HVAC, etc.) have been maintained and are not placing veterans, staff, and stakeholders in jeopardy. The project will improve compliance with safety (exclusive of seismic), accessibility and/or accreditation laws and regulations that are essential in order to provide a healthy and safe environment for veterans and VA employees. This includes fire and safety corrections or removal of asbestos or hazardous waste.

For this criterion, a "good" answer:

- Identifies the baseline that is used for comparison, and how the asset affects the baseline (the percent change from baseline).
- Addresses **how** the initiative will/will not result in an increase safety
- Details **how much** of an impact the initiative will have upon safety issues above and beyond the current baseline:

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response indicates the systems to be affected by the project, describes any adverse conditions should the project not be funded and describes how the project intends to correct any deficiencies in current systems.

**Good:** Good responses must provide analysis supporting the response. The following is a partial example of a good response:

This project directly addresses CARES Facility Condition Assessment (FCA) cited deficiencies which received grades of "D" and "F". Each system component is addressed, including: sub-stations, risers, transformers, network protectors, bus duct or cabling distribution, circuit protective devices, panel boards and circuit breakers. Since July 1995, this facility has experienced three major electrical-related disasters. Since February 2000, there have been eight (8) unplanned electrical outages or emergent electrical shutdowns. Semi-annual preventive maintenance infrared screening of electrical switchgear and bus duct system continues to reveal potential faults with alarming frequency. The recently received final version of our Facility Condition Assessment independently corroborates the findings of VA's own professional engineering and licensed electricians. Currently, this facility lacks standby power to operate nearly 5,000 tons of chilling capacity for the campus heating, ventilating and air conditioning system. Today, only part of the Operating Room Suite is provided air conditioning through emergency chilled water and air handling systems. If this project is implemented, the Medical Center will possess a safer and more reliable electrical distribution system. We have performed utility shutdowns and drills and discovered inadequacies, which with a new system can be appropriately addressed by separating the emergency branches according to the NFPA Code (Life Safety, Critical, Equipment). Disruptions will be minimized or eliminated. Major disasters, such as the explosions that occurred in February 2000 and February 2001, which are caused by system deficiencies, will be eliminated. The explosions and the fires themselves, apart from the negative impact due to loss of electricity, would also be eliminated, rendering the environment more safe.

| Goal           | Measure                                       | Base   | Planned | Planned | Planned | Planned | Planned |
|----------------|---|--------|---------|---------|---------|---------|---------|
|                |   | FY X   | FY X+1  | FY X+2  | FY X+3  | FY X+4  | FY X+5  |
| Patient Safety | Improve the physical safety of facilities**** | 13.42% | 11.51%  | 9.59%   | 7.67%   | 5.75%   | 3.84%   |

## **4.2 Seismic**

Ensuring the VA's infrastructure is seismically sound is critically important to the safety of VA's patients, employees, and members of the public. The seismic sub criterion refers to the initiative's ability to mitigate an immediate and verifiable seismic threat. This sub criterion aims to ensure adequate protection is in place for VA's patients and personnel, members of the public, data/information (e.g., patient records; veterans' claims, employee payroll, etc.), services, space, and/or equipment relative to potential threats.

The requirements include:

- Information on the percentage of the proposal's cost that is dedicated to the seismic criterion. At least 50% of the project's investment value is required to be dedicated to this criterion, before it is considered under this category.
- Engineering study certification of the condition of the structure.  
**Using the most recent Degenkolb Engineers report.** Provide the

Total [Ranking] Score and the date of the report. **(ALL SEISMIC PROJECTS MUST USE DATA FROM THE SAME, MOST RECENT REPORT).**

- Certification of the seismic zone in which the proposal is located
- Acknowledgement of inclusion in the VA Seismic Study

**Good:** Good responses must provide analysis supporting the response. The following is a partial example of a good response:

Seismic Correction/Deficiencies are 100% of investment value.

Building 7 was built in 1943 and remains from the former Navy hospital. Since this time, it has not undergone any modifications or seismic bracing. The Seismic Inventory Volume III prepared for the Department of Veterans Affairs by Degenkolb Engineers dated (provide most recent study) specifically cites seismic deficiencies in Building 7. Paragraph 9.2 states, "Building 7 does not have adequate strength ductility to resist seismic design forces." Paragraph 9.2.1 states, "Based on the procedures of FEMA 310, a number of deficiencies in the building's lateral force resisting system have been identified.

Paragraph 9.2.2 states:

"Based on the procedures of FEMA 310, a number of deficiencies in the building's nonstructural components have been identified. The tops of many of the partitions are not sufficiently attached to the structure to resist lateral loads. Some of the partitions and ceilings are not continuous across the expansion joints. Suspended ceiling systems are not adequately braced to the structure and ceiling tiles over exit routes are not secured to the T-bar framing with clips. The edges of the suspended ceilings are not separated from the enclosing walls and are subject to distortion and damage under the expected building drifts. The light fixtures in the suspended ceilings, including some emergency lighting, are not independently supported nor braced to the structure. The pendant light fixtures (typically in the basement area) are not braced to prevent swaying. There are no safety devices on the fluorescent light fixture lens covers. Fire suppression piping, risers, fluid and gas pipes are not braced and do not have flexible couplings."

Albert C. Martin and Associates completed a seismic study in XXXX (See attachment "Earthquake History" and "San Fernando Earthquake Page"). Also a seismic study completed by Degenkolb Engineers, (most current study) lists Building 7 as 13th of 69 buildings that are Exceptionally High Risk Buildings in the VA Seismic Inventory. A.C. Martin Assoc. Report identified the building as high-risk and seismically deficient. The findings of this report include the following:

**Building 7:**

- ◆ This building lacks numerous desirable earthquake-resistant features.
- ◆ Diaphragm shear capacities are insufficient when considering an east-west loading due to inadequate drag, chord reinforcement and shear walls.
- ◆ The piers have considerably less strength and stiffness than the spandrel. This weak-pier/strong-spandrel system is an undesirable lateral force-resisting system, which could precipitate a non-ductile pier failure prior to spandrel hinging. This presents a possible collapse hazard for east-west loading.
- ◆ The pier/spandrels have non-ductile details, which lack sufficient confinement of concrete and development of reinforcement. Pier/spandrel joints are offset in plan, which reduces their ability to transfer internal forces after cracking occurs.

- ◆ End walls resist lateral forces parallel to the east-west directions and are deficient in shear and flexure. These walls are also unstable for overturning at the base.
- ◆ The existing foundation is deficient for the levels of the force the building must resist under present VA Handbook requirements. Soil bearing stresses could not be computed due to the instability of the east-west walls, but can be assumed to be far greater than maximum allowable.
- ◆ New structural walls and/or strengthening of existing walls were recommended to reduce direct and torsional shear stress behavior, increase efficiency of the existing floor slabs, and improve the overall stability of the existing foundation.
- ◆ Moment frames were recommended to be incorporated with the existing construction to meet the VA lateral requirements for north-south loadings.

### Possible Data Sources

- Most recent Degenkolb Report
- CEA for proof of 50% requirement

### 4.3 Security

VA must be in a position to respond promptly and comprehensively in the event of a national emergency or natural disaster (excluding seismic) and ensure its physical and information technology infrastructures are secure from threat (including Homeland Security). The proposal is intended to address necessary enhancement of VA's capabilities in the area of emergency management in relation to a National emergency. (Information technology projects may also address security issues critical to the Department, including preventing unauthorized access to VA information systems.)

For this criterion, a "good" answer:

- Identifies the baseline that is used for comparison and how the asset affects the baseline (the percent change from baseline).
- Addresses **how** the initiative will/will not result in an increase security
- Details **how much** of an impact the initiative will have upon security issues above and beyond the current baseline
- Provides data detailing how at least 50% of the total project cost is devoted to improving a particular security issue

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response indicates the systems to be affected by the project, describes any adverse conditions should the project not be funded and describes how the project intends to correct any deficiencies in current systems.

**Good:** A good answer describes the manner in which the project will improve the safety of veterans, staff, and stakeholders. It provides backup materials and data that support these results. It indicates any Homeland Security issues that may be affected.



## **Non-Cares Specific Criteria**

*(Needs to be addressed for all NON-CARES & IT Projects)*

### **Customer Service (Part III, Section 5 of Application)**

Serving our Nation's veterans is a fundamental part of the VA function. The Department exists to give meaning, purpose, and reality to America's commitment to veterans. Customer service is a vital part of that function. The goal of VA is to be the very best in the market place, because it is what our veterans deserve. The extent to which VA is providing quality customer service can be measured by evaluating the following criteria: Increase in New or Existing Customers; Customer Satisfaction; and Customer Access. Together, these create a comprehensive value of the way our country's veterans are serviced by our great nation.

#### **5.1 New Customers/Increase in Customers**

Increase in new or existing customers refers to the specific increase in new customers served or the increase in the amount of "repeat" customers, above and beyond the current baseline.

For this criterion, a "good" answer:

- Identifies the baseline that is used for comparison, and how the asset affects the baseline (the percent change from baseline).
- Addresses **how** the initiative will result in an increase in new customers or repeat customers
- Details **how much** of an impact the initiative will have upon the number of new customers and/or an increase in existing customers above and beyond the current baseline

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- An indication that the proposal will not have any impact on an increase in new or existing customers, with supporting rationale
- Or-
- But is not limited to, the following:

This investment will expand the current capacity from 120,000 patient stops per year to 375,000 stops per year. In this case, the project impacts external customers, at multiple facilities. We believe the impact to be high, due to the significant number of patient stops, and the type of patient assistance.

**Good:** Good responses are those that provide some kind of analysis to support the basic response. The analysis might support the idea that the proposal will succeed, but might additionally help establish that patient demand justifies the investment. The corollary relationship between the market share, market penetration, and market segmentation data will be clear. Data and analysis cited to address this question will be consistent throughout the application and supported by studies, reports, or other verifiable documentation. A good response would be:

This investment will expand the current capacity from 120,000 patient stops per year to 375,000 stops per year. Currently, patients must schedule appointments 4 to 8 weeks in advance. Many decline, saying they do not want to wait that long. Urgent cases often are referred to non-VA providers. In 1996, 123,000 urgent cases—involving cardiac and cancer patients—were referred to outside providers. By more than tripling the capacity of this facility, urgent cases can be scheduled as needed, and less urgent cases can be scheduled with less lead time, reducing the number of veterans required to go elsewhere for treatment.

In this case, the types of patient that will be served by the investment are external. We will be impacting multiple facilities because of the increased ability to take in patients internally, as well as from other near-by facilities. Therefore, we believe the impact of this expansion to be high, due to the number of patients affected, and their inability to receive similar assistance elsewhere.

**Possible Data Sources:**

- 3-year Trend Analysis
- Market Analysis of healthcare catchment area
- Fee Basis
- PTF workload data

## **5.2 Customer Satisfaction**

Customer satisfaction refers to the perception of the customer as to whether the services provided are satisfactory. This is usually measured by administering customer surveys.

For this criterion, a “good” answer:

- Identifies the baseline that is used for comparison, and how the asset affects the baseline (the percent change from baseline).
- Addresses **how** the initiative improves customer satisfaction
- Details **how much** of an impact the initiative will have upon customer satisfaction

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- An indication that the proposal will not have any impact on customer satisfaction, with supporting rationale

-Or-

- But is not limited to, the following:

The investment will introduce a computer-based hospital kiosk registration system that is anticipated to reduce waiting time tremendously. Customers will enter the hospital facility, and register themselves at one of five computer-operated kiosks.

It is estimated that one kiosk per 10 customer appointments per hour is a reasonable ratio. This system will reduce customer registration wait time for customers who will register through the kiosk system. This system reduces the number of person-to-person registrations and allows more time for the more complicated activities, which currently serve as a bottleneck to the system.

Excessive waiting time is a cause for customer complaints. Because of the decreased waiting time, the customer satisfaction should increase.

**Good:** Good responses are those that provide some kind of analysis to support the basic response. A good response would be:

The investment will introduce a computer-based hospital kiosk registration system that is anticipated to reduce waiting time tremendously. Customers will enter the VBA facility, and register themselves at one of five computer-operated kiosks.

It is estimated that one kiosk per 10 customer appointments per hour is a reasonable ratio. This system will reduce customer registration wait time for customers who will register through the kiosk system. This system reduces the number of person-to-person registrations and allows more time for the more complicated activities, which currently serve as a bottleneck to the system.

Excessive waiting time is a cause for customer complaints. A recent survey (see Attachment B for complete results and methodology) showed that 73% of customers cited waiting time as excessive. Other VBA facilities that have implemented a kiosk system have shown an average 25% reduction in waiting times. A direct relationship between the reduced waiting times and increased customer satisfaction is evident. Customer satisfaction in these facilities has risen an average of 33%. Because of the decreased waiting time, the customer satisfaction should increase.

### **5.3 Customer Access**

Customer access refers to the increase or improvement in access to users of the system made available as a result of the initiative implementation. This criterion is a measure of the increase in existing customer access above and beyond the current baseline.

For this criterion, a “good” answer:

- Identifies the baseline used for comparison, and how the asset affects the baseline (the percent change from baseline).

- Addresses **how** the initiative will increase existing customer access
- Details **how much** of an impact the initiative will have upon customer access

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- An indication that the proposal will not have any impact on customer access, with supporting rationale;  
-Or-
- But is not limited to, the following:

This project will consolidate primary and managed care activities and services, which currently are spread over various floors in different buildings, thus improving access to existing customers.

This project will impact external customers at the facility level. The investment impact will be medium.

**Good:** Good responses must provide some kind of analysis supporting the basic response. The following is an example of a good response:

This project will consolidate primary and managed care activities and services, which currently are spread over various floors in different buildings, thus improving access to existing customers.

Similar improvements were made at this VAMC in 1990. A National Customer Feedback Center survey showed a decline in customer satisfaction prior to 1990 and steady gains following 1990. Between 1985 and 1989, customers reporting that the center was "Accessible" or "Very Accessible" fell from 43% to 25%. Between 1990 and 1996, customers reporting "Accessible" or "Very Accessible" increased from 30% to 62%. As a result, additional improvements are expected to further increase customer accessibility.

The project will impact external customers at this particular facility. As a result, the impact of the project is medium, due to the fact that it impacts only one facility, without making innovative changes that can be replicated by other facilities.

## **Cares Specific Criteria**

*(Should be addressed for all CARES Projects)*

### **Research & Education (Part III, Section 6 of Application)**

This criterion gives preference to those assets that enhance the medical research and education missions of the facility/network.

#### **6.1 Research**

The research sub criterion refers to the affect the project will have on one of the following factors:

- Improve staff recruitment and retention of critical positions
- Improve patient care outcomes
- Be a highly visible national project that would bring benefits to the organization
- Generate income for research or for the facility
- Provide co-benefits to patient care at a facility or within a network, such as the sharing of high cost technology
- Correct deficiencies

For this criterion, a “good” answer:

- Identifies the baseline used for comparison, and how the asset affects the baseline (the percent change from baseline)
- Addresses **how** this initiative will/will not address one or more of the factors listed above
- Details **how much** of an impact the initiative will have upon the above factors

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- An indication that the proposal will not enhance medical research, with supporting rationale;
- Or-
- A basic response to how the investment enhances medical research

**Good:** A good response provides baseline data on the research areas affected by the initiative. It should identify the number of clinical investigators, number of researchers, the number of research grants, the total dollars of current and projected grants/awards, and the number of years per grant/research award. It provides expected outcomes of the initiative once funded and provides justification of any assumptions made.

## 6.2 Education

The education sub criterion refers to whether or not the initiative enhances the education mission of the facility/network by:

- Improving staff recruitment and retention of critical positions
- Improving compliance with mandated education requirements for clinical and administrative staff
- Supporting affiliation agreements to sustain or increase medical residency or other trainee positions

For this criterion, a “good” answer:

- Identifies the baseline used for comparison, and how the asset affects the baseline (the percent change from baseline)
- Addresses **how** this initiative will/will not affect education
- Details **how much** of an impact the initiative will have upon education

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- An indication that the proposal will not have any impact on education, with supporting rationale;  
-Or-
- A basic response to how the investment supports this criteria

**Good:** Good responses must provide some kind of analysis supporting the basic response. The following is a partial example of a good response:

Currently, the VAMC lacks adequate room for education and training development in the units. In the most recent Employee Survey, this VAMC ranked in the lower 25<sup>th</sup> percentile of the facilities in this VISN on the number of hours employees spend in education, thus not being in compliance with mandated education requirements for clinical and administrative staff. This facility has also had difficulty sustaining baseline numbers of medical residents from our affiliated university. In addition, the facility scored in the 25<sup>th</sup> percentile on the question on knowledge of the mission as it pertains to education. These low marks are some of the issues that the VAMC is trying to address with the renovation.

|                                 | Baseline  | Projection   |
|---------------------------------|---|--|
| Improving Compliance            | Currently approximately 700 sq ft of space available for training/education   | This project will increase space available for training/education by 1200 sq ft by adding 4 rooms of approximately 300 sq ft each  |
| Increase med residency/trainees | Current baselines for medical residents and trainees are 78 and 12 respectively. This is approximately 5% fewer than last year. If this project is not funded, the number of residents and trainees will continue to decline. | It is expected with the initiation of this project that medical residents will increase by approximately 15% in the first year and by about 8% every year thereafter. Trainees will increase by about 9% the first year and 3% thereafter. |

**Special Emphasis Programs (Part III, Section 7 of Application)**

Providing for the specialized needs of veterans is an integral component of VA health care. Due to the prevalence of certain chronic and disabling conditions among veterans, VA has developed strong expertise in certain specialized services. VA programs and services for spinal cord injury and disorders, blindness, traumatic brain injury (no longer a SDC), amputation, serious mental illness, and post-traumatic stress disorder. VA is committed to meeting the needs of these veterans who have come to rely on us for specialized services. More than 50% of the total project cost must be supported by the special emphasis criterion.

For this criterion, requirements include:

- Information on the percentage of the cost of the proposal that is dedicated to the special emphasis program(s)
- Data sources and calculations

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- An indication that the proposal will not have any impact on Special Emphasis Programs with supporting rationale;
- Or-
- A basic response to how the investment supports this criteria

**Good:** Good responses must provide baseline and projected workloads, and critical analysis supporting the response. It must indicate the percent of the cost of the project that supports this criterion and the calculations used to determine this percent.

**Possible Data Sources:**

<http://www.whitehouse.gov/homeland>

<http://vaww.infosec.va.gov/main/boiler.asp>

<http://www.ciao.gov/>

<http://www.va.gov/emshg/>

### Health Care Service Delivery Enhancements (Part III, Section X of Application)

This criterion addresses how the project meets the implementation of the CARES market plans. It will focus requirements on improving customer service and access to quality health care and identifying opportunities for maximizing the volume of veterans served to effectively reduce gaps in projected workloads.

#### **8.1 Realignment/Mission Change:**

**A. Realignment/ Mission Change:** The CARES Program will guide the realignment and allocation of capital assets to support the improved delivery of health care services. CARES will improve quality as measured by access and improve the delivery of health care in a cost-effective manner, while maximizing positive opportunities and minimizing any adverse impact on staffing, communities, and on other Department of Veterans Affairs (VA) missions.

Realignment/mission changes that would ***improve delivery of health care services*** consist of:

- Consolidating clinical programs
- Consolidating administrative services
- Relocating services
- Increasing / decreasing / establishing services
- Opening or closing a facility

For this criterion, a “good” answer:

- Identifies the baseline used for comparison, (the number and names and size of programs/administrative services affected)
- Identifies how the asset affects the baseline
- Details **how much** of an impact the initiative will have. The impact could be with respect to FTE, resources, and service delivery.

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- An indication that the proposal will not include a realignment or mission change with supporting rationale;
- Or-
- A basic response to how the investment results in a realignment/mission change



**Good:** A good response uses the CARES assessment as support for realignment and mission changes. It identifies any areas impacted by the initiative and includes baseline data and projections with justification.

The VAMC now provides acute services on two separate campuses. This project will consolidate all inpatient and specialty services from the two hospitals into one facility improving healthcare operations. Outpatient and long-term care will remain at the campus that will reduce its acute services. It will improve clinical adjacencies, reduce by 60% the transportation of records and decrease by 80% the transportation & delivery of supplies from the warehouse to support two campuses that each provide acute services.

## **8.2 Size of Gap/Demand**

Based upon the CARES forecasts the project proposes to close the Planning Initiative identified gap in the projected (FY 2022) supply and demand for inpatient and outpatient services. The gap is measured by the volume and percentage size of the gap.

For this criterion, a “good” answer:

- Identifies the baseline used (volume and percentage size of gap) for comparison, and how the asset affects the baseline (the percent change from baseline)
- Demonstrates an understanding of the CARES and VA goals and objectives as they apply to this sub-criterion
- Describes how the proposal will provide benefit to veterans and VA

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- An indication that the proposal will not impact the Planning Initiative gap;  
-Or-
- A basic response to how the investment supports this criterion

**Good:** The current performance gap identified in the Planning Initiative is 40%. This initiative provides the opportunity to reduce that gap by more than 50% and bring it below the CARES threshold by establishing the new gap at 15%. It will enable the staff to work towards reducing this gap further next year with a target of 10% in FY 2006.

## **8.3 Volume of Veterans Served/Services Provided**

The application should provide the total volume of services to be delivered at the site of care as measured for current (FY 2002) and projected (FY 2022) workload units (BDOC and stops).

For this criterion, a “good” answer:

- Identifies the baseline used (BDOC and Stops) for comparison, and how the asset affects the baseline (the percent change from baseline)

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- An indication that the proposal will not impact volume of veterans served;  
-Or-
- A basic response to how the investment supports this criteria

**Good:** A good response uses the CARES assessment as support. It identifies areas impacted by the initiative and includes baseline data and projections with justification. The following is a partial example of a good response:

This initiative has an immediate impact on volume of veterans served by increasing stops by 51,484. Projections provided in this application suggests the number of veterans enrolled for health care at this facility will rise from the current peak of 13,497 to a future peak of 20,060 in the year FY 2012. This population will generate an increase in clinic visits from 94,071 in FY 2002 to 145,556 by FY 2012. From these visits, clinic encounters will increase from 130,841 in FY 2002 to 207,787 by FY 2012, projecting a future space requirement of 117,000 gross square feet.

**Possible Data Sources:**

- 3-year Trend Analysis
- Market Analysis of healthcare catchment area
- Fee Basis
- PTF workload data

#### **8.4 Access to Health Care**

The project would result in improved access by:

- Increasing the percentage of enrolled veterans living in urban or rural areas of a particular market who live within standard travel times to a specified type of care facility
- Decreasing the number of enrolled veterans outside of the standard travel times
- Other means, such as telemedicine or increasing the number of examination rooms, emergency room, etc.

For this criterion, a “good” answer:

- Identifies the baseline used for comparison (current percent of enrollees within time criteria), and how the asset affects the baseline (the percent change from baseline)
- Addresses the impact level of the initiative
- Make reference to the target measures below

The proposal should include: 1) baseline data for the current percent of enrolled veterans living within standard travel times; 2) baseline data for the current number of enrolled veterans living outside of the standard travel times; and 3) expected improvements toward meeting the target percentage. Use and provide the CARES access gap analysis worksheet. Target measures for this criterion are presented in the table below.

| Type of Care   | Time Criteria (Minutes)   | Percent of Enrollees within Time Criteria | Number of Enrollees Outside Time Criteria |
|----------------|---|---|---|
| Primary Care   | 30 Minutes – Urban<br>30 Minutes – Rural<br>60 Minutes – Highly Rural           | 70%                                       | Less Than 11,000                          |
| Acute Hospital | 60 Minutes – Urban<br>90 Minutes – Rural<br>120 Minutes – Highly Rural          | 65%                                       | Less Than 12,000                          |
| Tertiary Care  | 240 Minutes – Urban<br>240 Minutes – Rural<br>Community Standard – Highly Rural | 65%                                       | Less Than 12,000                          |

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- An indication that the proposal will not impact access to health care;  
-Or-
- A basic response to how the investment supports this criteria

**Good:** A good response uses the CARES access gap analysis worksheet as support. It identifies areas impacted by the initiative and includes baseline data and projections with justification. A good answer also demonstrates an understanding of CARES and VA goals and objectives as they apply to this criterion, and describes how it will provide benefit to veterans and VA. The following is a partial example of a good response:

Veterans in Monroe County currently drive two hours to the VAMC for Primary Care Services and it takes longer during inclement weather. This project will provide an Outpatient Clinic delivering Primary Care to more than 9,000 veterans within the sixty-minute criteria established for a highly rural veteran population.

### **8.5 VISN Priority**

The priority assigned by the VISN to the project among competing projects the VISN wishes to submit, by fiscal year.

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain data to support ranking of the priority.

**Acceptable:** An acceptable response includes:

- An indication that the proposal will support CARES and is in the Market Plan, and it meets VISN or national priorities
- Or-
- A basic response to how the investment supports this criteria and how the VISN developed its prioritization methodology.

**Good:** Good responses must provide numerical ranking of initiative as compared to other VISN priorities and supporting documentation of VISN ranking. Should identify if proposal was in top third, middle third or bottom third of VISN ranking and provide the methodology used, and clarify how the decision was made and by whom.

**8.6 Quality – Infrastructure Enhancements:** The application should include the degree to which the project enhances infrastructure quality in the following clinical areas:

- **Primary/Specialty Care/Outpatient Services** – Services provided that require less than a 24-hour presence at the treating facility (including ER and LSU)
- **Inpatient Services** – Hospital services requiring an overnight stay that will be counted as a bed day of care (BDOC) (does not include nursing home or domiciliary care)
- **Ancillary Services** –Diagnostic and allied health care support services

For this criterion, a “good” answer:

- Identifies the baseline used for comparison that is comprised of current and projected workload
- Identifies how the proposal impacts one or more of the clinical areas above
- Identifies current and projected space programs
- Provides supporting documentation that area is deficient based on citations from sources external to VA (JCAHO, OSHA, AALAC, etc.)
- Date and cost of last modernization, e.g., in 1988 a minor project for \$2.3 million was completed to expand Primary Care

**Unacceptable:** Unacceptable responses include those that are left blank or do not contain significant data to support conclusions.

**Acceptable:** An acceptable response includes:

- An indication that the proposal will not impact quality;
- Or-
- A basic response to how the investment supports this criteria

**Good:** A good response identifies areas impacted by the initiative and includes baseline data and projections with justification. The following is a partial example of a good response:

| Impacted clinic area   | Type of impact               | Justification  |
|--|------------------------------|--|
| Primary Care<br><br>Current Workload<br>12, 567<br><br>Projected Workload<br>19, 986<br><br>Current Space<br>1,920 nsf<br><br>Projected Space<br>2,780 | Improved access              | This renovation project will increase available exam rooms thus increasing patient access to primary care. The last modernization for Primary Care was in 1986. This was part of a larger inpatient project that renovated bed services on the upper floors. Primary Care part of the project was planned and implemented before VA made the transition away from inpatient care to outpatient care. Currently, there are 12 exams room available for primary care exams. This shortage of exam rooms equates to approximately 45-minute delays for patients waiting to be seen by physicians. It also means that patients will have to schedule their appointments 5 weeks in advance of their appointment date. With the funding of this project, exam rooms will increase to 18 in primary care. Wait time in waiting rooms will decrease to 5-10 minutes and patients will be able to schedule appointments 1 week in advance of their appointment date. |
|  | Infrastructure modernization | Indoor ventilation does not meet code: ASHRAE standards for ventilation are not met in Building 2 and Building 19. A study performed by ENV Services Inc, Indoor Air Quality Evaluation, assessed the indoor air quality in Building 19 and identified a need for 5 to 10 times the amount of fresh air that it currently has. (Attachment R) This project will improve airflow, indoor air quality and overall hospital infection rate. Airflow and indoor air quality will meet established ASHRAE standards (Attachment B)  |